EXHIBIT "A"

WRS MOTION PICTURE
AND VIDEO LABORATORY
1000 Napor Blvd
Pittsburgh, PA 15205
412-937-7700

October 18, 1996

Mr. Eric Parkinson
President & CEO
Plaza Entertainment, Inc.
304 North Edinburg Avenue
Los Angeles, CA 90048

Re: Duplication and Fulfillment Between Plaza Entertainment and WRS, Inc.

Dear Eric:

I am pleased that we are in the final stretch of finalizing the duplication and fulfillment agreement between Plaza Entertainment and WRS, Inc. We reviewed your fax of September 27, and the open issues that you and Gordon Granger had with our proposal of August 7, 1996.

In referring to your letter, Item 1 - "Term"; We will agree to a two (2) year versus a three (3) year duplication arrangement with a "First Right of Refusal" if we can't agree on new terms and pricing for ongoing duplication and fulfillment services.

Regarding Item 6 - Freight, truck or UPS on your P.O. or ours along with an administrative mark-up for Plaza's use of money and administrative costs.

Item 9 - We can't do the administrative, financial, and warehouse storage and work for your sleeves and cases at the purchase cost of the materials only. Neither can you. But if you feel your operation is more efficient than ours, feel free to order the material and we'll store it for you at $10.00/pallet/month and handle our administrative work on an hourly basis.

Item 9a - We do manufacture "High Grade Tape Stock" - our suppliers include 3M, BASF, Saehan and TDK.

Item 10 - "Invoicing to Plaza's Customers and Collections", we do have the capability of doing the direct invoicing to your clients and can also facilitate the collections as well. Previously a "Lock Box Agreement" was sent to you and Gordon for review. This agreement would take care of all of the related logistics. As for invoicing, if the proper information is provided along with a copy of your customer's P.O. we will be able to accurately invoice your clients. Administrative costs will be on a "Per Order" basis at a price to be determined.

Payments from your customers must be made to WRS, Inc., and Plaza Entertainment and it must be communicated and enforced with your customers that they must send all payments directly to the Lockbox. Payments will be deposited immediately and subsequently disbursed to Plaza Entertainment and to us upon receipt.

35, 16 and Super 16mm Color or Black & White Negative Developing and Printing • Film or Video Dailies • Digital Liquidgate NTSC/PAL Film To Tape Transfers With Keycode and OSC/R • Climate Controlled Computerized Vaults • Sound Services • Titles • Optical and Precision Registration Printing • Nitrate Conversion • Preservation • Restoration • Tape to Film Transfers • Tape to Tape Video Duplication in All Domestic or Foreign Formats For Television, Industry or Special Interest • Conversions NTSC/PAL/PAL-M/SECAM • Syndication • Inbound Telemarketing • Distribution • Fulfillment

The "Sign on Commitment" with fifty percent (50%) discount on the first $300,000 worth of business will also be as originally agreed upon. However, to resolve the issue of the $33,000 plus interest that is owed to us from the "Grizzly Mountain" arrangement, we must receive bonafide purchase orders from Plaza's customers that are directly assigned to us that we will invoice to your customer and receive payment with all of the net proceeds going toward amortizing your outstanding debt prior to sending any money to Plaza.

If you are in agreement with this, please sign this interim agreement and return it ASAP and we can get started.

The "Legend of the North Wind" check dub is in the works and will be sent for your review so we're ready to duplicate.

Sincerely

Joseph M. Gerek
Chief Financial Officer

cc: Jack Napor
Jeremy Kennedy

Eric Parkinson, Plaza Entertainment

PLAZA ENTERTAINMENT
PRICING PROPOSAL

August 7, 1996

- This proposal is based upon a 3 year exclusive contract.
- Price Includes:
  - SP Duplication on High Grade Tape Stock
  - "A" Grade Shells
  - Quality Control
  - Insertion into Client Supplied Bottom-Load, Top-Tuck Sleeves or Clamshells
  - Packaging & Handling for Drop Shipments into 50 Count Cartons

LENGTH	PRICE	LENGTH	COST
15 Minutes	$.93	80 Minutes	$1.72
20 Minutes	$.96	85 Minutes	$1.78
25 Minutes	$1.01	90 Minutes	$1.84
30 Minutes	$1.08	95 Minutes	$1.90
35 Minutes	$1.14	100 Minutes	$1.96
40 Minutes	$1.20	105 Minutes	$2.04
45 Minutes	$1.26	110 Minutes	$2.10
50 Minutes	$1.33	115 Minutes	$2.16
55 Minutes	$1.41	120 Minutes	$2.22
60 Minutes	$1.48	125 Minutes	$2.41
65 Minutes	$1.54	130 Minutes	$2.60
70 Minutes	$1.60	135 Minutes	$2.79
75 Minutes	$1.66	140 Minutes	$2.98

MINIMUM DUPLICATION ORDER QUANTITIES - 500 UNITS PER TITLE

ADDITIONAL SERVICES:

- WRS Supplied Generic Face Label — $.02
- Shell Imprint:
  - Set-up (screens from client supplied film positives) — $35.00 per title
  - Imprint — $.015
- Clamshell Art Insertion — $.04
- Inserts or Sticker Application — $.02
- Shrinkwrap — $.02
- Logo Imprint on Shrinkwrap:
  - One Time Set up (plate charge) — $75.00
  - Imprint — $.01

- Assembly of 6, 12, 24 or 48 unit self shipping Display Packs - Price to be determined, depending upon labor costs. Samples to be provided by Plaza Entertainment.

- WRS will provide a check cassette and master evaluation at no Charge. Check cassettes to be shipped via UPS Ground.

- Terms: Net 60 Days subject to credit approval - Lock-box agreement (per attached)

- All standard WRS Terms and Conditions apply except as outlined in this proposal

- Freight: F.O.B. WRS Pittsburgh

WRS ORDER FULFILLMENT

1. ORDER ENTRY:

   Price includes finished goods inventory, reporting and data base maintenance.

Charge per order from phone or fax	$1.50
From electronic orders	$.75

2. ORDER FULFILLMENT:

   Includes pick and pack, preparation for shipping, packing slips and shipping reports.

50 Count master cartons of single titles	No Charge

Multiple Title Orders up to 50 pieces or single title orders up to 49 pieces:

1 piece	$.65 per carton
2 pieces	$.90 per carton
3 - 5 pieces	$1.00 per carton
6 - 10 pieces	$1.25 per carton
11 - 25 pieces	$1.80 per carton
26 - 50 pieces	$2.50 per carton

F-le WRS

ADDITIONAL SERVICES:

- WRS Supplied Generic Face Label — $.02
- Shell Imprint:
  - Set-up (screens from client supplied film positives) — $35.00 per title
  - Imprint — $.015
- WRS supplied Clamshell (Duroplex) — $.39
- Clamshell Art Insertion — $.04
- Inserts or Sticker Application — $.02
- Shrinkwrap — $.02
- Logo Imprint on Shrinkwrap:
  - One Time Set up (plate charge) — $75.00
  - Imprint — $.01

- Assembly of 6, 12, 24 or 48 unit self shipping Display Packs - Price to be determined, depending upon labor costs. Samples to be provided by Plaza Entertainment.

- WRS will provide a check cassette and master evaluation at no Charge. Check cassettes to be shipped via UPS Ground.

- Terms: Net 60 Days subject to credit approval - Lock-box agreement (per attached)
- Two (2) Years with "First Right of Refusal"

- All standard WRS Terms and Conditions apply except as outlined in this proposal

- Freight: F.O.B. WRS Pittsburgh via Truck or UPS

- Invoicing to Plaza Entertainment's customers including order entry — $2.25 per order

WRS ORDER FULFILLMENT

1. ORDER ENTRY:
   Price includes finished goods inventory, reporting and data base maintenance.

   Charge per order from phone or fax — $1.50
   From electronic orders — $.75

2. ORDER FULFILLMENT:
   Includes pick and pack, preparation for shipping, packing slips and shipping reports.

   50 Count master cartons of single titles — No Charge

   Multiple Title Orders up to 50 pieces or single title orders up to 49 pieces:

1 piece	$.65 per carton
2 pieces	$.90 per carton
3 - 5 pieces	$1.00 per carton
6 - 10 pieces	$1.25 per carton
11 - 25 pieces	$1.80 per carton
26 - 50 pieces	$2.50 per carton

EXHIBIT "B"

SERVICES AGREEMENT

THIS SERVICES AGREEMENT between WRS, Inc. ("WRS") and Plaza Entertainment, Inc. ("Plaza") and its principals—Eric Parkinson, Charles vonBernuth and Thomas Gehring, is made as of this 12th day of October, 1998,

A. Plaza and WRS have an existing manufacturing and business relationship, and Plaza has an immediate need for (i) working capital financing ("Financing") and (ii) certain administrative services, including, generation of sales invoices, collection of accounts receivables, performance of general accounting and related record keeping functions, monitoring and maintenance of inventories of packaging, finished goods, returns processing and repackaging (collectively, the "Administrative Services").

B. Plaza also needs to purchase post production services and video dubs (copies) in the normal course of its business (collectively, "Production Services"), has been obtaining Production Services from WRS on an open account basis pursuant to that certain Credit Application given by Plaza to WRS and WRS' standard terms and conditions ("Standard Terms") of sale which are a part of the Credit Application. Plaza owes WRS approximately $685,379.88 as of August 31, 1998 (subject to review and verification thereof), plus applicable interest thereon, for Production Services previously performed by WRS (the "WRS Receivable").

C. WRS, to enhance and increase its business relationship with Plaza, Eric Parkinson, Charles vonBernuth and Tom Gehring, and protect its interest in the WRS Receivable, is willing to perform the Administrative Services and continue to perform Production Services for Plaza on the terms and conditions described in this Agreement (all invoices for Production Services performed by WRS after the date of this Agreement are referred to as "New Invoices").

In consideration of the mutual promises set forth in this Agreement, the parties agree as follows.

Section 1. Administrative Services. Plaza hereby appoints and employs WRS as Plaza's exclusive agent to perform the Administrative Services for Plaza. WRS accepts said appointment and agrees to perform the Administrative Services for Plaza in accordance with the terms and conditions set forth in this Agreement. The performance of all activities by WRS, including the maintenance of all bank accounts relative to the Administrative Services, shall be as the agent of and for account of the Plaza. Plaza and WRS agree to arrange for a "lock box" or other similar arrangement with National Bank of Canada, its successor or other financial institution (the "Bank") for receipt of payment of Plaza's accounts receivable and distribution of such receipts in accordance with the terms of this Agreement. As compensation for the

EXHIBIT D

Administrative Services, Plaza shall pay to WRS a monthly fee (the "Monthly Fees") equal to the greater of (i) $5,000 or (ii) one percent of the aggregate amount invoiced by WRS for Production Services during such month (but not to exceed $20,000 per month). In addition, Plaza shall reimburse WRS for all out of pocket expenses incurred by it in the performance of the Administrative Services (but excluding any personnel costs). WRS shall provide Plaza with a monthly statement setting forth the fees and expenses incurred on behalf of Plaza during such month, each of which shall be paid directly by Plaza to WRS within 30 days of the statement date. In the event any invoice remains unpaid after 30 days, WRS shall have the right to instruct the Bank to make payment of such invoice to WRS from the funds in the lock box account.

Section 1.1 Distribution of Lockbox Funds. The parties agree that until such time as all amounts owed to WRS by Plaza are less than 60 days, WRS shall instruct the Bank to distribute the funds in the lockbox account on a weekly in accordance with the following procedures:

1. With respect to each payment made by a customer of Plaza which is received during such week, WRS shall match such payment to the WRS invoice to Plaza for the products which are the subject of such customer's payment. If the payment (i) relates to the WRS Receivable then WRS and Plaza shall instruct the Bank to distribute an amount equal to 50% of each such payment to WRS and (ii) (ii) relates to a New Invoice then WRS and Plaza shall instruct the Bank to distribute an amount equal to 30% of each such payment to WRS;

2. WRS shall instruct the Bank to distribute the remaining funds to Plaza or in accordance with Plaza's instructions.

It is the intention of the parties that the arrangement contemplated above will result in each New Invoice being paid in full within 60 days of the date of such invoice. To the extent that New Invoices are not kept current under the distribution arrangement set forth above the parties agree to negotiate in good faith an appropriate distribution arrangement which will keep Plaza current on New Invoices; provided however in no event shall any New Invoice remain unpaid for more than 89 days after the date of such New Invoice.

Section 1.2 Incentive. As an incentive to foster the business relationships contemplated by this Agreement and to provide financial assistance to Plaza, WRS agrees to provide Plaza a credit against the WRS Receivable equal to fifty cents on the first 300,000 dubs that WRS produced for Plaza, such credit to be applied on the first anniversary of this Agreement or such earlier date as Plaza shall become current on all outstanding invoices from WRS; provided, however, such credit shall only be made if Plaza has fully complied with the terms of this Agreement.

Section 2 WRS' Internet Web Site. WRS agrees to place all of Plaza's titles, including the Hemdale titles, on WRS' Internet Web Site at full retail prices to obtain additional marketing exposure for Plaza.

Section 3 Assistance. WRS agrees to assist Plaza in its efforts to obtain adequate and appropriate financing with National Bank of Canada and/or other entities WRS deems appropriate, by effecting introductions to such entities, and if required, by partially subordinating its security interests in the WRS Receivable provided that the proceeds of such financing are used to satisfy a portion of such Receivable. Any resultant financing will be subject to Plaza's approval. It is mutually agreed that Plaza and its principals, Eric Perkinson, Charles vonBernuth and Tom Gehring (collectively, the "Principals"), will execute such documents as are required to accomplish the foregoing and to confirm that WRS shall have a security interest in all proceeds from all business activities of Plaza from any and all sources (excluding video kiosks), and/or any future entity WRS may designate to perform this function by until further notice; provided, however, that at such time as Plaza shall be current on payment of all invoices, the security interest in proceeds granted to WRS under this Section shall be limited to the proceeds of Plaza's distribution activities in the United States.

Section 4 Production Services. Plaza agrees that WRS shall have the sole and exclusive rights to perform Production Services for Plaza for all videos to be distributed in the United States, and WRS agrees to perform such Production Charges for Plaza in accordance with the current prices between WRS and Plaza in effect (copy attached) and reviewed annually. All other WRS services not listed that Plaza requires will be discounted 25% from WRS' then published prices. Plaza further agrees that WRS shall be its exclusive supplier of dubs and all of those other services WRS routinely provides for Plaza's product delivery to its domestic and international clients.

Section 5 Term This Agreement shall remain in effect until such time as the WRS Receivable and New Invoices shall have been paid in full. Thereafter, either party shall have the right to terminate this Agreement by giving the other party ninety days' written notice of termination. In the event of price disagreements at any annual price renegotiation contemplated in Section 4, WRS shall have the right of first refusal, but not the obligation to match any bona fide written competitive offers made by other first class laboratory facilities. It is mutually agreed that any such price reductions shall be correspondingly matched with the caliber and quality of workmanship and materials as are being offered by the competitive laboratory.

Section 6 Security Interest; Financial Information; Guaranty. Plaza hereby acknowledges that Plaza has granted WRS a security interest in certain collateral (the "Collateral") described in the UCC-1 Financing Statements previously filed with the Secretaries of State of California and Pennsylvania, copies of which are is attached to this Agreement, and agrees that it shall execute such documents as may be reasonable required by WRS to maintain the effectiveness of such filings and to protect WRS' interest in such Collateral to the extent reflected on such Financing Statements. In addition, Plaza shall provide WRS and/or National Bank of Canada with all such financial information concerning Plaza as WRS and/or National Bank of Canada shall reasonably request in order that WRS and/or National Bank of Canada can monitor Plaza's financial position and WRS can provide such administrative assistance as Plaza may from time to time require. In the event of a breach by Plaza of any of the terms of this Agreement or in the event Plaza shall become insolvent, WRS shall have the right to exercise any and all remedies as a secured creditor provided by provisions of the Uniform Commercial Code in effect where such Collateral is located. As a further inducement to WRS to enter into this Agreement, each of the Principals hereby guaranties the performance by Plaza of its obligations under the terms of this Agreement, including the payment of the WRS Receivable and New Invoices, and any other charges, expenses (including reasonable attorney's fees) and costs reasonably incurred by WRS in any proceeding to enforce any of the terms of this Agreement (collectively, the "Collection Expenses")

Section 7 Acknowledgements. The parties acknowledge and agree that this Agreement is intended to set forth the parameters of a working relationship which will promote their individual interests and to provide with WRS with incentives to continue to perform Production Services for Plaza. Accordingly, the parties agree to negotiate in good faith to establish the procedures necessary, and to execute any and all documents and further agreements that may be reasonably required, to more fully implement the terms of this Agreement.

Plaza Entertainment

By__________________ __________________
Title: Witness

__________________ __________________
Tom Gehring, Principal Witness

__________________ __________________
Charles vonBernuth, Principal Witness

__________________ __________________
Eric Parkinson, Principal Witness

WRS, Inc.

By__________________
Title:

any and all remedies as a secured creditor provided by provisions of the Uniform Commercial Code in effect where such Collateral is located. As a further inducement to WRS to enter into this Agreement, each of the Principals hereby guaranties the performance by Plaza of its obligations under the terms of this Agreement, including the payment of the WRS Receivable and New Invoices, and any other charges, expenses (including reasonable attorney's fees) and costs reasonably incurred by WRS in any proceeding to enforce any of the terms of this Agreement (collectively, the "Collection Expenses")

Section 7 Acknowledgements. The parties acknowledge and agree that this Agreement is intended to set forth the parameters of a working relationship which will promote their individual interests and to provide with WRS with incentives to continue to perform Production Services for Plaza. Accordingly, the parties agree to negotiate in good faith to establish the procedures necessary, and to execute any and all documents and further agreements that may be reasonably required, to more fully implement the terms of this Agreement.

Plaza Entertainment

By____________________ ____________________
Title: Witness

____________________ ____________________
Tom Gehring, Principal Witness

____________________ ____________________
Charles vonBernuth, Principal Witness

____________________ ____________________
Eric Parkinson, Principal Witness

WRS, Inc.

By ____________________ for F. Jack Napor.
Title: C.F.O.

EXHIBIT "C"

November 19, 1998

Mr. Jack Napor
WRS FILM & VIDEO LABS, INC.
Via Fax (412) 922-2418

RE: PLAZA INVOICING -- SEPT. / OCT. / NOV. -- PRINTING & MAILING

Dear Jack:

I was quite distressed to learn that our invoices have still not yet been printed and mailed to our customers... despite the mutual hope of Joe Gerek and I that this project would be completed last Friday. As you are aware, Plaza's ability to STAY IN BUSINESS requires that we collect some of our A.R. ~ the best leverage in collections is these new invoices.

I'm told that it would only take us (here at Plaza) an HOUR to print these out.

The invoicing of our receivables is imperative ~ if they don't go out today, then Plaza MUST print them ourselves and FAX them tonight to our customers so that we can cover our urgent needs.

Jack, while we are appreciative of the liberal credit that WRS has extended to Plaza, as well as the generous offer of help with our Accounts Receivable, we cannot allow Plaza to falter while your accounting staff deals with other priorities. It would be very easy and fast for Plaza to print out the invoices... and perhaps this is the fastest method to protect the venture we are building together with WRS. We must get these customers invoiced and collect on our old balances.

If WRS can complete this task, then I request that you apply some pressure & encouragement to see that this is completed today if possible. Next week is a short week and if these invoices do not go out TODAY, Plaza cannot reasonably expect to receive monies until after Thanksgiving, which would be unacceptably devastating.

Thanks for your help,

Eric Parkinson,
President, C.E.O.

EXHIBIT "D"

Subject: Fwd: Inquiry regarding very old vendor status: Plaza Ent., Inc. <Anderson: V...
From: HannoverHouse@aol.com
Date: Fri, 21 Sep 2007 11:26:23 EDT
To: jwalker@mmlpc.com
CC: c.bernuth@verizon.net

Gentlemen -- Anderson Merchandisers is the first wholesaler to provide evidence / rebuttal to Jack Napor's claim that no Plaza receivables were collected during the primary phase of the Services Agreement. I also followed up yesterday with emails to Ingram and B&T, as my prior telephone calls did not seem to generate a response. I'll keep you posted as these other accounts respond (hopefully TODAY). It would be nice to have several wholesaler payments in evidence to show a greater rebuttal to Napor's declaration.

ERIC

Eric Parkinson, CEO
HANNOVER HOUSE
5 N. West St., Fayetteville, AR 72701
Office: 479-521-4999 / Direct: 818-481-5277
www.HannoverHouse.com

See what's new at AOL.com and Make AOL Your Homepage.

Subject: Re: Inquiry regarding very old vendor status: Plaza Ent., Inc. <Anderson: Virus checked>
From: Pat Andrews <andrewsp@amerch.com>
Date: Fri, 21 Sep 2007 09:35:21 -0500
To: HannoverHouse@aol.com
CC: GriffinF@amerch.com

Pat Andrews
A/P SR Supervisor
Anderson Merchandisers
806-376-6251 ext 14452
806-349-4438 Fax
Never fear shadows. They simply mean there's
a light shining somewhere nearby.

Eric,
We show we sent 2 checks to Plaza during that time frame. 184621 dated 7-15-99 for 10,160.90
187512 9-22-99 for 11,673.00. We cannot give you copies of the cancelled checks however, they are too old. Here are the screen shots that show they were cashed but I don't know how well that would hold up in court.
Thanks, Pat

Transaction Detail CB-CBT-W-0001

Cash Code:	02		
Recon Stmt Nbr:	0		
Bank Name:	TRUST COMPANY BANK		
Account Number:	8800603048		
Bank Transaction:	SYSTEM PAYMENT		Bank Debit
Number:	184621	0	
Issued Date:	07/15/99		
Issued Company:	208	Anderson Merchandisers	
Payee/Description:	PLAZA ENTERTAINMENT, INC.		
Reference:	AP170		
Journal Book:			
Status:	Recon	07/28/99	
Issued Bank Amount:	10,160.90	USD	
Reconciled Bank Amount:	10,160.90		
Transaction Amount:	10,160.90		
Base Amount:	10,160.90	USD	
Acct Period End Date:			

Cancel

Transaction Detail CB-CBT-W-0001

Cash Code:	02		
Recon Stmt Nbr:	0		
Bank Name:	TRUST COMPANY BANK		
Account Number:	8800603048		
Bank Transaction:	SYSTEM PAYMENT		Bank Debit
Number:	187512	0	
Issued Date:	09/22/99		
Issued Company:	208	Anderson Merchandisers	
Payee/Description:	PLAZA ENTERTAINMENT, INC.		
Reference:	AP170		
Journal Book:			
Status:	Recon	09/28/99	
Issued Bank Amount:	11,673.00	USD	
Reconciled Bank Amount:	11,673.00		
Transaction Amount:	11,673.00		
Base Amount:	11,673.00	USD	
Acct Period End Date:			

Cancel

HannoverHouse@aol.com

09/20/2007 07:42 PM

To AndrewsP@AMerch.com, GriffinF@amerch.com

cc

EXHIBIT "E"

MEMORANDUM

June 21, 1999

TO: AUTUMN BROCK, DEBBIE SCHILLING, MICHELE FISCHER, CHARLES VON BERNUTH, BOBBY SARGENT, JOE GEREK

FROM: ERIC PARKINSON

RE: *NEW LOCK BOX ACCOUNT & INVOICING PROCEDURE*

Effective THURSDAY, JUNE 24th, and inclusive of all new invoicing for the recent "PUSS IN BOOTS" and "HEMDALE" shipments, Plaza and WRS Labs will be utilizing a new Bank Lock-Box and Collections account.

The following PAYMENT INSTRUCTIONS will need to appear prominently and visibly on all invoices generated after June 24, 1999:

Please remit payment directly to the following bank account:

ACCOUNT NAME: WRS FOR PLAZA ENT., INC.
BANK: MELLON FINANCIAL SERVICES
ACCOUNT: Box 22011, L.A.
ADDRESS: 1240 S. Myrtle Ave.
Monrovia, CA 91016
Tel. (818) 303-3861

All incoming collections will now go to this account. WRS Labs will receive 50% of all collections until such time that their duplication billings are brought "current." The TXSTAR Bridge Loan ($500,000) will be credited for fifty percent (50%) of the collections for "PUSS IN BOOTS", but not for Hemdale or other catalog. This lock-box account also does NOT involve any possible income streams from Foreign or Television sales that Plaza may receive.

A MAILING TO THE CHIEF FINANCIAL OFFICERS OF ALL OF PLAZA'S CURRENT CUSTOMERS DETAILING THIS INFORMATION AND AN OVERALL UPDATE ON PLAZA'S NEW FINANCING WILL GO OUT SEPARATELY ON JUNE 24, 1999, FROM ERIC PARKINSON.

Thanks -- ERIC

EXHIBIT "F"

MEMORANDUM

July 19, 1999

Ms. Natalie Pitts
MAJOR VIDEO CONCEPTS
7998 Georgetown Road, Suite 1000
Indianapolis, IN 46268
Tel (317) 715-2147 / Fax 715-2556

Dear Natalie:

Thank you for your assistance in processing a payment on the Plaza Ent., Inc. video account with Major Video Concepts. Although the "old" accounts receivable balance from prior to June 15, 1999 due from M.V.C. to Plaza Ent. *(approx. $29,000)* is NOT formally subjected to our new lock-box regulations, in the spirit of accommodating your accounting system, please utilize the NEW payment address / coordinates for all payments:

Send checks to:

WRS FOR PLAZA ENT., INC.
Mellon Financial Services
1240 South Myrtle Ave.
Monrovia, CA 91016

Account Number: BOX 22011, L.A.

We will coordinate with WRS regarding the segregation of "old" payments versus new orders. I will advise WRS of this situation.

Thanks again for your assistance.

Sincerely,

Eric Parkinson,
President

EXHIBIT "G"

Plaza Entertainment, Inc.

CURRENT BALANCE SHEET -- PLUS FORECASTED POSITION AFTER FOURTH QUARTER BRIDGE LOAN TO FACILITATE SALES, PLUS 12-31-2000

BALANCE SHEET

	FINAL 1997	FINAL 1998	Sept. 30 1999	FORECAST 1999	FORECAST 2000
ASSETS	Un-Audited Dec. 31, '97	Un-Audited Dec. 31, '98	Current Sep. 30, '99	Pro-Forma Dec. 31, '99	Pro-Forma Dec. 31, '00
Cash On Hand	$7,619	$25,327	$7,472	$296,520	$1,775,000
Accounts Receivable (Net)	$135,600	$687,764	$1,045,180	$2,023,750	$4,875,000
Fixtures and Equipment	$54,398	$34,571	$109,398	$112,160	$255,120
Prepaid Properties & Invest.	$375,000	$509,980	$734,980	$764,980	$1,984,980
Earned Dupl. Credits	$86,320	$55,125	$55,125	$55,125	$0
Notes & Other Assets	$26,230	$28,328	$30,028	$30,594	$0
Prepaid Inventory (C.O.G.)	$70,255	$490,436	$558,196	$683,150	$1,455,100
Prepaid Advertising	$0	$0	$515,950	$430,000	$135,000
Paid In Equity (Stock)	$200,000	$200,000	$200,000	$200,000	$200,000
TOTAL ASSETS	$755,422	$1,831,531	$2,540,379	$3,966,279	$10,345,200
LIABILITIES & SHAREHOLDER'S EQUITY					
Accounts Payable	$334,857	$646,830	$1,079,908	$585,400	$566,350
Primary Vendors A.P.	$232,400	$1,188,792	$1,145,000	$1,657,000	$3,585,000
Accrued Royalties	$95,000	$400,500	$542,000	$662,000	$1,468,000
C.R.A.T. & Herklotz Loans	$100,000	$1,498,849	$1,606,974	$1,062,527	$0
Faber, Parkinson, Granger	$327,500	$415,413	$486,095	$417,095	$0
Unearned Advances	$64,232	$67,712	$57,550	$0	$0
TXSTAR & Other Loans	$0	$0	$512,849	$1,235,000	$2,500,000
TOTAL LIABILITIES	$1,153,989	$4,218,096	$5,430,376	$5,619,022	$8,119,350
SHAREHOLDER'S EQUITY	($398,567)	($2,386,564)	($2,889,997)	($1,652,743)	$2,225,850
TTL LIABILITIES & SHAREHOLDER'S EQUITY	$755,422	$1,831,531	$2,540,379	$3,966,279	$10,345,200

CONCLUSION:
Based upon strong retail reaction to Plaza's Fall 1999 Product, the infusion of a Bridge Loan of $650,000 or more could facilitate the capture of over $2-million in new sales. This new activity would almost fully wipe-out the entire, accrued start-up loss carry-forward.

EXHIBIT "H"

December 20, 1999

Mr. Joe Gerek
WRS FILM & VIDEO LABS, INC.
1000 Napor Blvd.
Pittsburgh, PA 15205

Via Fax
One (1) Page Total

RE: STATUS OF COLLECTIONS ON PLAZA A.R.

Dear Joe:

It's not looking like a very Merry Christmas is in store. As per our telephone conversation, I'm quite distraught to hear that you're continuing to have problems with the WRS accounting system and that this has delayed Joe Shields from collecting on Plaza's accounts receivable. We also are dismayed at the recent batch of mysterious invoices that indicate that more and more replication is occurring, but without explanation as to the sales need. I suppose that both issues are one-in-the-same due to computer problems at WRS?

Plaza is facing serious producer and creditor issues as a result of the lackluster performance of WRS thus far in collecting our receivables. Turning over these functions was viewed by all as a potential solution, and bought us some time with the producers. But more than two-months into the new structure we've yet to show any activities, and now risk losing the rights to even more titles if we cannot, at the very least, give them a sales report as required in the agreements. The lack of reporting and absence of payments from WRS are a deadly one-two punch in destroying our relationships with these key program rights suppliers. Not having cash for the holidays only exacerbates the problems.

I continue to ride a delicate line with WRS in that I want to continue working with you – but that I'm also finding Plaza in an ever more precarious position with each day of no activity. It seems like the only thing that your staff (or computer?) can generate so far are more product replication invoices, which are at best unauthorized, and at worst, represent entirely fictional services.

As I continue negotiations with private investors, library lenders, and now EnterTech Media as possible partners for Plaza, it's critical that we have a more accurate picture of what is happening at WRS with our Accounts Receivable, inventory and balances. It would be quite difficult for Plaza to represent to a new partner on any of these key matters, based on the anemic information that Melanie and Joe Shields are providing so far. At some point, if our records and needs cannot be integrated with WRS, we may need to ask that the administration of the A.R. to be turned back to Plaza. Surely, we could do better than "no collections" verbiage I've gotten on every call for the past 2-1/2 months. I'm really pulling out my hair here, and need some help in solving this brewing cash crisis.

Sincerely,

Eric Parkinson
President / C.E.O.

EXHIBIT "I"

PLAZA ENTERTAINMENT, INC.

304 North Edinburgh, Los Angeles, CA 90048
Tel. (FilmWorks) 323-655-1385 / Fax (323) 655-8798

Feb. 3, 2000

TO: JOE GEREK / JOE SHIELDS
WRS LABS

FROM: ERIC PARKINSON

RE: NEW INVOICES TO ISSUE / NEW ORDER / MISC.

1). Please process the attached ORDER for GIANT OF THUNDER MOUNTAIN Videos that are being sold "at cost" to members of the production crew (C.O.D., PLUS Freight).

2). Also, please issue TWO (2) separate invoices for ELVIS LOST HOME MOVIES that were sold to a wholesaler, but shipped from the direct-mail fulfillment center, Ascott Chase (the customer already HAS the product, but has not been invoiced yet).

3). Lock Box share / wire transfer -- were there any "net" funds to wire transfer as discussed yesterday? Please let me know as I'm struggling & juggling to keep the utilities powered! As discussed, it's very difficult to operate without receipt of our share of the Lock Box revenues, and frustrating that you continue to object to my offers to help with collections. Our actions show that we're doing everything possible to maintain a friendly and ongoing relationship with WRS. But frankly, the repeated news that there have not been receivables collected is putting Plaza out of business. Please help!

4). Other New Invoices -- again, we need some explanation of the invoices that we've been receiving for new product replications that seem to have occured without a Plaza PO or our authorization. If it's truly your computer / accounting system as you mentioned, then please get this fixed so that I don't have erroneous charges on my payables detail.

EXHIBIT “J”

February 18, 2000

Mr. Joe Gerek
WRS FILM & VIDEO LABS, INC.
1000 Napor Blvd.
Pittsburgh, PA 15205

Via Fax
One (1) Page Total

RE: UPDATE REQUEST ON PLAZA A.R. / COLLECTIONS & CASH

Dear Joe:

I will be meeting with several of Plaza's key program suppliers (producers) over the next few weeks, which I'm not looking forward to...

I'm at a loss as to what to say to them regarding the WRS Services Agreement and the continuing problems that Melanie and Joe claim to have in meshing our Quickbooks records into the WRS system. These delays are killing Plaza, as we've been unable to supply our customers with balance statements, apply any payments, add in new sales which we are completely in the dark over, and finally, to render sales reports to our producers as required.

Joe Sefel (Classic Animation) accused me yesterday of being involved in a fraudulent scheme with WRS to abscond with his animation revenues! I know that's simply his emotional venting, but from his perspective, Plaza has been overly complacent and patient with WRS during this new structure and he feels that we should be putting WRS on legal notice of breach. I appreciate his position, but am supportive of a war and legal battle with WRS. The whole point of the Services Agreement was to avoid such conflicts. It makes sense – on paper at least – but in the real world the absence of collections and reporting is making it into a worse situation than before. I wonder if I'll have money to pay for my AFM registration, my telephones and Plaza's rent this month? I'm completely in the dark because all our cash flow is dependent upon whether or not the Plaza A.R. can be interfaced with the WRS system.

I went ahead and called Ingram Entertainment yesterday about their overdue balances to Plaza. I was surprised, relieved and a bit alarmed, to be told that they sent a significant payment two weeks ago to the Lock Box! Will Plaza get our share as per the Services Agreement? Will I need to call every account to find out that – contrary to WRS reports of no collections – that payments were already received? This is not what I was promised when we structured this deal. Please advise.

Eric Parkinson
President / C.E.O.

EXHIBIT "K"

PLAZA ENT., INC.

PLAZA OVERSTOCK INVENTORY

(As Of October 14, 1999)

	(WRS - Pittsburgh) AVAIL. WRS INVENTORY			(Plaza - Fayetteville) AVAILABLE INVENTORY		
	UNITS	COST	SUBTOTAL	UNITS	COST	SUBTOTAL
Legend Of The North Wind	400	$2.00	$800	1,250	$2.00	$2,500
Elm Chanted Forest	250	$2.00	$500	300	$2.00	$600
Boogie Woogie Whale	150	$2.00	$300	0	$2.00	$0
Show & Tell Mime	150	$2.00	$300	100	$2.00	$200
Giant Of Thunder Mountain	30,000	$2.00	$60,000	65,000	$2.00	$130,000
Cat City	250	$2.00	$500	0	$2.00	$0
Destiny Of Marty Fine	350	$2.00	$700	0	$2.00	$0
20,000 Leagues Under Sea	1,500	$2.00	$3,000	0	$2.00	$0
Journey To Center Of Earth	1,000	$2.00	$2,000	0	$2.00	$0
Around The World In 80 Days	500	$2.00	$1,000	0	$2.00	$0
Ebenezer	2,000	$2.00	$4,000	0	$2.00	$0
Safe Kids	4,000	$2.00	$8,000	1,500	$2.00	$3,000
Treasure Island	0	$2.00	$0	700	$2.00	$1,400
Treasure Swamp Castle	0	$2.00	$0	700	$2.00	$1,400
Still Twisted	300	$2.00	$600	0	$2.00	$0
Story Of Christmas	800	$2.00	$1,600	700	$2.00	$1,400
Quest Of The Delta Knights	250	$2.00	$500	250	$2.00	$500
Merlin	300	$2.00	$600	0	$2.00	$0
1000 Pieces Of Gold	500	$2.00	$1,000	0	$2.00	$0
Legend Of Wolf Mountain	300	$2.00	$600	0	$2.00	$0
Little Heroes	150	$2.00	$300	0	$2.00	$0
Brave Frog	800	$2.00	$1,600	0	$2.00	$0
Francesco	300	$2.00	$600	0	$2.00	$0
Soultaker	300	$2.00	$600	0	$2.00	$0
Future Shock	300	$2.00	$600	0	$2.00	$0
Savage Land	500	$2.00	$1,000	0	$2.00	$0
Littlest Viking	200	$2.00	$400	0	$2.00	$0
Mosquito	500	$2.00	$1,000	0	$2.00	$0
Cold Heaven	300	$2.00	$600	0	$2.00	$0
Bed & Breakfast	400	$2.00	$800	0	$2.00	$0
Across The Moon	300	$2.00	$600	0	$2.00	$0
	47,050		$94,100	70,500		$141,000